



INTERIM REPORT



## CHAIRMAN'S STATEMENT

### RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 1999

I am pleased to report that the Group made a profit before interest and amortisation of goodwill of £152,000 during the six months ended 31 October 1999 compared to £80,000 for the same period in the preceding year. The results for the current period include those of Ateliers Drion, which was acquired in April 1999 and therefore was not included in the comparative period last year.

I noted in the last annual report that the seasonal fluctuations that had been experienced last year were expected to re-occur in the current year. Although the results are an improvement over the comparative period, we anticipate that the second half performance will be substantially better than that of the first half.

### NEWMARK TECHNOLOGY

The company is principally engaged in the design, manufacture and supply of access control and asset tagging systems, and the distribution of other security products. The technical and supply problems of our ParSec products were finally resolved at the end of the period under review and we have now gained FCC approval for the product in the USA. Sales of ParSec continue to grow steadily in the UK, whilst substantial progress has been made in developing the interest shown in the USA now that the FCC approval has been obtained. I hope to be able to announce further developments in this area in the near future.

### VEMA B.V.

Vema, which is based in The Netherlands, is a distributor of security products. Turnover for the six month period ended 31 October 1999 exceeded £2,500,000, a 14% improvement over the corresponding period last year when the company was affected by delays from suppliers. As I announced in the last annual report, Jan Dekker assumed the position of managing director on 30 September 1999 and has been successfully continuing the development of the activities of the company.

### ATELIERS DRION S.A.

Drion, which is based in Belgium, specialises in the production and installation of physical and electronic security equipment. Historically the company's main customers have been blue chip organisations in the Belgian banking sector but, due to the recent restructuring within that sector, activity has been low in the six months under review. However, a contract was completed in Algeria in the first half and a further major contract (£0.9m) is expected to be completed in that country in the second half.

### POST BALANCE SHEET EVENTS

The following is a copy of a release to the Company's Announcements Office dated 28 February 2000:

The Directors of Newmark, the developer of electronic and other security products, are pleased to announce that the company has acquired the entire issued share capital of Safetell International Limited ("Safetell"). Safetell has two wholly owned subsidiaries, Safetell Security Screens Limited and Safetell Limited (together with Safetell the "Safetell Group").



The Safetell Group specialises in the provision and maintenance of physical security equipment for the protection of staff at transaction counters primarily in retail finance, retail and public authorities. Historically the Safetell Group's core product has been the Eclipse Rising Security Screen which is designed to provide protection for cash transaction counter staff against armed robbery. The main customers for this product have been building societies in the UK. The Safetell Group has developed new products in recent years including:

- Interscreen, which provides an open plan environment for interviews whilst maintaining protection for staff in non-cash environments against acts of violence;
- RollerCash, which is designed to fractionalise a cashier's float into a secure location at the workstation to minimise loss through robbery; and
- CounterShield, which is aimed at the high value/high risk retail market such as petrol retailers and off licences.

In the year ended 31 March 1999, the Safetell Group made profits before tax of £168,000 and had net assets of £922,000. The total consideration of £1.5 million, which is payable in cash on completion, is being financed by a bank loan repayable over seven years.

The Directors of Newmark believe that the acquisition will be a natural fit with Ateliers Drion which was acquired in April 1999.

#### **CONCLUSION**

The Board is delighted with the completion of this acquisition and is optimistic about the continued growth of the Group. On behalf of the Board I wish to welcome the employees of Safetell to the Group and to thank all existing staff for their continued efforts and support.

**Maurice Dwek**  
**Executive Chairman**

28 February 2000



**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the six months ended 31 October 1999

	Notes	Unaudited Six months ended 31 October 1999 £'000	Audited Year ended 30 April 1999 £'000	Unaudited Six months ended 31 October 1998 £'000
<b>TURNOVER</b>		4,511	8,005	3,325
Cost of sales		(2,525)	(4,647)	(1,982)
<b>GROSS PROFIT</b>		1,986	3,358	1,343
Administrative expenses		(1,834)	(2,760)	(1,263)
Amortisation of goodwill		(26)	—	—
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>	2	126	598	80
Interest payable		(47)	(96)	(47)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		79	502	33
Tax on ordinary activities	3	(159)	(282)	(72)
<b>(LOSS)/PROFIT FOR THE PERIOD AFTER TAX</b>	4	(80)	220	(39)
		<u>Pence</u>	<u>Pence</u>	<u>Pence</u>
(Loss)/Profit per share	5	(0.07p)	0.28p	(0.05p)

**NOTE**

The profit and loss account for the six months ended 31 October 1999 includes Ateliers Drion S.A., which was acquired in April 1999 and therefore was not included in the comparative figures for the six months ended 31 October 1998.



**CONSOLIDATED BALANCE SHEET**  
as at 31 October 1999

	Notes	Unaudited 31 October 1999 £'000	Audited 30 April 1999 £'000	Unaudited 31 October 1998 £'000
<b>FIXED ASSETS</b>				
Intangible assets		1,761	1,693	321
Tangible assets		1,272	1,300	511
		<u>3,033</u>	<u>2,993</u>	<u>832</u>
<b>CURRENT ASSETS</b>				
Stocks		1,023	1,316	770
Debtors		2,357	3,417	1,905
Cash at bank and in hand		806	912	—
		<u>4,186</u>	<u>5,645</u>	<u>2,675</u>
<b>CREDITORS: amounts falling due within one year</b>		<u>(2,418)</u>	<u>(3,519)</u>	<u>(2,208)</u>
<b>NET CURRENT ASSETS</b>		<u>1,768</u>	<u>2,126</u>	<u>467</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
<b>CREDITORS: amounts falling due after more than one year</b>		4,801	5,119	1,299
Provisions for liabilities and charges		(1,587)	(1,825)	(458)
		<u>(143)</u>	<u>(143)</u>	<u>—</u>
<b>NET ASSETS</b>		<u><u>3,071</u></u>	<u><u>3,151</u></u>	<u><u>841</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		5,510	5,510	3,752
Share premium		5,051	5,051	4,600
Profit and loss reserve	4	(7,490)	(7,410)	(87)
Other reserves		—	—	(7,424)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u><u>3,071</u></u>	<u><u>3,151</u></u>	<u><u>841</u></u>



## NOTES TO THE ACCOUNTS

### 1. BASIS OF ACCOUNTS

The unaudited results for the six months ended 31 October 1999 have been prepared on a basis consistent with the accounting policies disclosed in the Group's 1999 Report and Accounts, and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The results for the year ended 30 April 1999 are an abridged version of the full accounts, which received an unqualified report and have been filed with the Registrar of Companies.

### 2. PROFIT AND LOSS ACCOUNT

The profit and loss account for the six months ended 31 October 1999 includes Ateliers Drion S.A., which was acquired in April 1999 and therefore was not included in the comparative figures for the period ended 31 October 1998.

### 3. TAXATION

The tax charge for the period is disproportionate to the result for the period due to the non-availability of tax relief on the UK losses for the period to be offset against the tax charged on the profits in The Netherlands and Belgium.

### 4. RESERVES

<b>Profit and loss reserve</b>	£'000
At 1 May 1999	(7,410)
Retained loss for the period	(80)
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At 31 October 1999	<u>(7,490)</u>

### 5. LOSS PER SHARE

The loss per share has been calculated based on the weighted average number of shares in issue during the period, which was 110,208,952 shares (31 October 1998: 75,235,317).

### 6. POST BALANCE SHEET EVENTS

On 28 February 2000, the Company announced that it had acquired the entire issued share capital of Safetell International Limited ("Safetell"). Safetell has two wholly owned subsidiaries, Safetell Security Screens Limited and Safetell Limited. The total consideration of £1.5 million, which was payable in cash on completion, is being financed by a bank loan repayable over seven years.

### 7. DIVIDENDS

No interim dividend is proposed (1998: Nil).

8. A copy of the interim report has been sent to shareholders and is available for inspection at the Company's registered office, 21/23 Ormside Way, Redhill, Surrey RH1 2NT, during normal office hours, Saturdays, Sundays and bank holidays excepted, for 14 days from today.